

Talking about women's wages—it's a complex proposition. Especially when asking for that one piece of information that we really want to know—how do they compare to men's wages?

# WAGES

BY LECIA LANGSTON

gaps in the nation. In fact Utah ranked fourth from the bottom—higher than only Michigan, Louisiana, and Wyoming.

## THE GOOD NEWS

The good news for women and their families? The wage gap is now narrowing. For the 30 years following 1950—a period when women made gains in the “high paying” professions—very little changed. Data published by the U.S. Bureau of Labor Statistics show that before the early 80s, the U.S. male/female earnings ratio full-time workers hovered around 60 percent. There was virtually no significant narrowing in the wage gap—until 1980.

What about in Utah? Using 1980, 1990 and 2000 Census figures, we find that the female/male earnings ratio grew from about 53 percent in 1980 to 57 percent in 1990 to 67 percent in 2000. Yes, here in Utah, women are making earnings gains.

Traditionally, economists refer to the wage gap as the difference between the wages of the average male and the average female.

Typically, a female-to-male ratio is established. Just divide the average female wage by the average male wage.

## CENSUS RULES

Because of its sheer size, the decennial Census provides some of the best earnings figures, and is therefore able to show the best detail. Census 2000 figures for Utah show the median earnings for year-round, full-time male workers at \$36,935. The comparable figure for female workers measures \$24,872. In other words, the wage gap measured 67

percent.

You'll notice we used data for year-round, full-time workers.

So, seasonal workers and those who work part-time are excluded.

It's best when making wage gap comparisons to keep the working characteristics of the two groups as equal as possible. In this way, we make sure we're comparing apples and apples—not apples and oranges.

## TRAILING THE PACK

Nationally, Census 2000 shows a male/female wage gap of 73 percent—about in the middle of all states. Yes, that means that Utah shows one of the largest wage

## LEARNING TO EARN

How does the wage gap between men and women stack up by educational level in Utah? Contrary to what one might suppose, increased education does not

necessarily shrink the wage gap. The largest wage gap occurs for men and women with bachelor's degrees. On average, women with a bachelor's degree made 65 percent of the median wage for men with a bachelor's degree.

How can this be? Doesn't continuing one's education increase one's earning power? It certainly does—and particularly for women. Census data tells us that a Utah woman with a bachelor's degree made \$10,000 more a year than one with only a high school degree. Once again, occupational choice enters the picture. Even college-educated women tend to choose majors/careers in lower-paying fields traditionally held by women.

The smallest wage gap occurs for men and women without a high school education. Of course, women who work year-round, full-time who don't have a high school education made only \$17,500—slightly more than half the earnings of a Utah woman with a bachelor's degree. Obviously, it still pays to increase one's education—particularly in those fields traditionally held by men.

## SOMETIMES, IT PAYS TO BE YOUNG

Does age make a difference when it comes to the age gap? Yes, in fact, the younger the age, the smaller the wage gap. Data from the Bureau of Labor Statistics for the U.S. makes it obvious that the wage gap increases with age.

Young women between the ages of 16 and 24 make roughly 94 percent of the average weekly wage of their male counterparts. Of course, a young woman's labor force experience is more likely to match that of the typical young man. Moreover, younger women are getting more education and many have not yet become mothers—another life-event that affects labor market participation.

Nationally, the largest wage gap occurs for women between the ages of 55 and 64. They typically make only 72 percent of their male counterparts' wage. Of course, these are the women who are least likely to have a labor market experience similar to their male counterparts.

## THE RAINBOW CONNECTION

Race and ethnicity make a difference when it comes to the wage gap. Census 2000 data indicates that white men and women in Utah have the largest wage discrepancy. The median wage for year-round, full-time white women workers measures only 66 percent of the comparable figure for white men.

On the other hand, Hispanics show the smallest wage gap. The average female Hispanic worker makes 85 percent of the average male Hispanic worker's wages. In fact, every non-white ethnic or racial minority group shows a smaller wage gap than does the white, non-Hispanic group.

In general, minority male wages fall noticeably behind white male wages. In other words, many minority workers make lower-than-average wages—regardless of gender. For example, the median annual wage for a white, full-time, year-round male worker measured \$38,100 in 1999 compared to \$23,600 for the average male Hispanic worker.



## WHAT'S GOING ON?

Okay, in general, men make more than women. Why? After observing some of the figures here you want to precipitously jump to the conclusion that women are discriminated against in the workplace. Don't jump. Remember that many factors determine a person's wage—age, education, profession, experience, time on the job. The discrepancy in male and female wages does not automatically infer discrimination.

## OTHER FACTORS

Other factors influence the wage gap. The labor force experience of women may differ substantially from that of men as women strive to combine home and

family responsibilities. Many women move in and out of the workforce choosing to remain at home while their children are young.

Because, in general, women are newer to the labor force than men, they tend to have spent less time in a particular job. Economists call this "occupational tenure." In addition, because the share of women in the labor force keeps increasing, more women are at the bottom of the career ladder than are men. In other words, recent female entrants may depress the average wage.

Women's educational attainment falls below men's thus limiting their earning power. Moreover, women remain disproportionately illiterate in mathematics, science, and engineering—the highest paying positions.

## ANOTHER FACTOR?

Women do not seem to advance as quickly as men. We've probably all heard of the "mommy track" where women are sidelined from promotions because of a perceived difference by employers. You may have also heard of the "glass ceiling." Employers, for various reasons, seem reluctant to advance women to the top echelons of corporate power.

## WHAT'S LEFT?

However, after explaining away all the demographic characteristics and choices that make men's and women's labor force experience different, there's still some of that old wage gap left. While studies disagree on the level, one consistent finding does emerge from the literature: no analysis can completely account for the entire male/female wage gap. Researchers have estimated that 60 to 70 percent of the difference is attributable to the differences noted above. The remaining share could not be attributed to factors other than gender.

In other words, a large portion of the gap remains unexplainable and may indeed reflect some institutionalized discrimination against women in the workplace.